

On Farmers and Farming in Tamil Nadu, Puducherry, Kerala, Odisha and Assam



MSSRF Policy Brief

A SITUATION ASSESSMENT & RECOMMENDATIONS

Overview:

March-April is the time for harvest of the rabi crop and beginning of land preparations for kharif. Farmers across the country, a large majority (85 per cent) of who are small and marginal farmers, have been affected by the lockdown due to the coronavirus crisis. Harvesting of crops has been affected, labour and machinery is not available, they have not been able to take their produce to the market, crops have been damaged and loss incurred. The dairy and poultry industry has been similarly affected

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COVID MEASURES:

The Government of India issued special guidelines, providing relief for movement of agricultural produce as well as for farming activities. There were some initial issues regarding non-availability of transport to take the produce to market, to procurement and processing centres and closure of markets. Measures were taken by different states to attend to the issue and besides exemptions some transport and marketing support was also provided. Challenges however still remain. Farmers who have vehicles and someone to transport the produce are able to sell. But women farmers in women headed households, or where male farmers are aged and don't have transport access are falling through the gaps. This and some other concerns have been observed in almost all locations.

This brief looks at how farmers in different parts of the country have been affected, the issues with regard to different crops, poultry and dairy, possible solutions and measures needed.

IMPACTS

I. Marketing of Produce

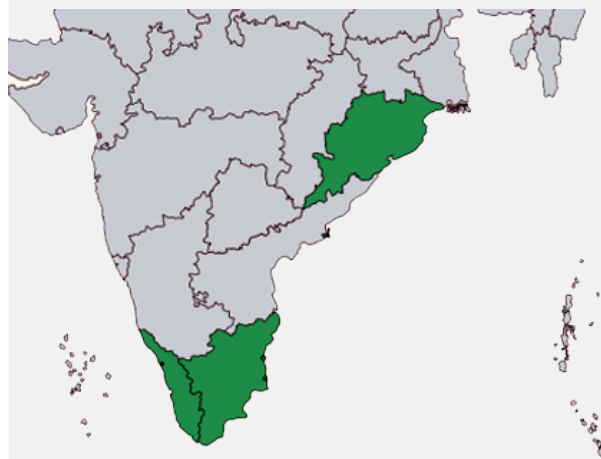
Marketing of produce is one of the key concerns with regard to various regions. Feedback from many of our intervention districts has been summarized region-wise.

Tamil Nadu: Paddy farmers in Thanjavur have been facing difficulty in marketing. Farmers have said that the District Procurement Centers are not procuring their paddy although the government has announced that the DPCs would be functioning as usual. Farmers are therefore left holding stock, with limited storage facilities at home and are short of funds to repay debts and prepare for cultivation of next crops. In Villupuram and Pudukottai districts, this is the season for groundnut harvesting; a majority of the farmers are ready to sell, but are unable to do so. With limited storage facilities at home, they have little option but to sell to middle agents at low price. Also in Kannivadi region of Dindigul district, difficulty in accessing regular vegetable markets such as Oddanchatram Gandhi market and Dindigul Gandhi market and local village level weekly markets has led to huge losses for small and marginal farmers engaged in vegetable cultivation. Vegetable collection agents used to send minigoods carriers to the farmers' fields to collect and transport vegetables from several villages; now due to the lockdown, the vehicles are not coming to the field. Some of the farmers are not even harvesting and part of the produce is perishing in the field itself.

Kerala: Vegetable farmers in Vythiri, Panamaram, Kottathara in Wayanad district, Puthenvelikkara in Ernakulam district and Vaithikudy in Idukki district are badly affected. They have been facing issues of transporting their produce to the local markets due to transport restrictions, leading to wastage of material. Harvested banana in Wayanad could not be transported to the market and the material is



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lying with the farmers, which is a major concern. Paddy farmers in Kuttanad, Kerala are facing a similar situation.

In Puducherry, paddy - the major crop is in the weeding stage but labour is not available for weeding.

Odisha: In Ganjam and Cuttack districts of Odisha, the supply chain of vegetables especially chillies is severely affected with closure of local markets and lack of alternate market opportunities. Farmers are not willing to harvest the chillies from the field and if harvested, given the lack of demand from buyers, the produce is dumped in the field itself without drying. Unharvested fruit with its living pool of pathogens, eggs, larva and pupa of many pests left in the field is a potential threat. Taking advantage of the situation, local middlemen are approaching farmers with offers to buy at very low prices.

In Koraput, as weekly haats are shut down, vegetable growers are resorting to distress sale even for 5 – 10 rupees per kg for tomato, ladies finger etc. They are now forced to sell their produce within the village as movement is restricted. Movement of vegetables to neighboring states has also been severely affected.

In Golaghat district of Assam, this is the peak season for harvest of tomato and capsicum. The annual income of a majority of farmers in this area is from these crops for household annual income. Due to CoVID-19 positive cases in Merapani sub-division of the district, retailers who buy produce from the farmers refused to purchase this year. This has led to distress sale by most of the farmers. A large amount of the produce has also gone waste as production is far in excess of the local demand. There is no local processing facility and almost the produce is targeted at markets in neighboring areas. In the case of tea, with vehicle entry restricted, small growers have been unable to sell their harvest; they have stopped plucking and are throwing away plucked leaves, resulting in heavy loss of INR 75,000 per ha in a week, with March – April being the peak harvesting period.

II. The plight of labourers:

Agriculture wage labourers have not been getting employment. Besides working in the local area, in many regions they travel to nearby hills and fields from 5 km to 60 km distance! With stoppage of public transport, the movement of farm labour has been severely affected. At the time of labouring they would also bring some vegetables, greens and fuel from the field for household use which is totally stopped now. As a result there is a change in the consumption pattern of vegetables is visible in many agricultural households. In Assam, women tea pluckers who worked in tea gardens nearby have been left with no source of income. In Ujoni Bhorolua and nearby villages of Sivasagar



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district, farmers who normally work in a nearby brick manufacturing unit during this lean season, are without work following its shut down. MNRGS work is also stopped and so there is no employment from that side also.

III. Effect on standing crop / next crop:

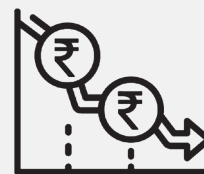
There is difficulty in accessing fertilizers and pesticides for the crops which are in the field both due to problems of access and lack of liquidity. In case of pepper and coffee crops in Kerala, general management activities could not be continued (pruning, fertilization, pesticide application and irrigation). Also, in some areas both in Kerala and in Kolli Hills, Tamil Nadu, the harvesting is affected as well; in Kolli Hills, the seasonal harvest of pepper, tamarind, banana, mango and pineapple has been severely affected due to lack of transport breakdown of linkage with periurban and urban markets. This will have serious economic impact on the small and marginal tribal families of this region. In regions where harvesting is completed, the material is lying with the farmers as trading market is not functioning. Storage is a serious issue and also the blocked income will affect the activities for the coming season.

In Wayanad, there is some delay in sowing of vegetable seeds, interrupted due to shortage of seeds, farm inputs, access to farm land, restrictions on collective labor, non-availability of labor, lack of transport facilities for reaching the farm land and labor movement. Delay in sowing of tuber crops will lead to loss of the seed material stored and while the situation is expected to improve, this needs immediate support and attention.

In Ganjam and Cuttack districts, the standing crop of cashew is affected by tea mosquito bugs which suck the sap of flowers and tender leaves. Though farmers were able to receive crop advisories through mobile phones, operations were delayed because of their inability to access pesticides, and the crop is in bad shape now. Farmers are worried that the yield will go down by 20-25 percent. This is also the season for groundnut sowing. However, disruption in access to seeds, fertilizers and farm machinery (tractors) has delayed the process. Farmers are under stress and fear that they may miss the season; their income as well as that of farm workers in the region is at stake.

In Assam, Sivasagar district is generally affected by flood and many farmers go for cultivation of Bao (deep water) rice; this year however, due to the unavailability of tractors and cage wheel for ploughing, farmers have not been able to start any field operations.

The movement of agri inputs for the next cropping season has been similarly affected in other areas also.



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IV. Debt

Small farmers in many places take loan from traders and market agents to be repaid after harvest and sale of the produce. They are caught in a bind now and are being exploited by the lenders. For instance, in Kannivadi region of Tamil Nadu, farmers have been asked to pay interest at the rate of 24 per cent until they supply the vegetables. In Ganjam and Cuttack districts of Odisha, unscrupulous money lenders are pressurizing small and marginal farmers to repay their loan citing their own difficulties. This is also one of the reasons for forced distress sale by some farmers.

V. Dairy

In case of the dairy sector, small dairy companies in Dindigul district, Tamil Nadu (including KC dairy, Amman dairy, Kanika dairy and Raaj Milk dairy) stopped regular milk procurement due to closing of tea shops, schools, colleges and hotels. The alternate day milk procurement from local milk vendors and individual milk producers has therefore been reduced both in quantity and milk price. As a result of this, milk producers, largely women farmers and milk vendors are getting lesser income. However, Kulumai Milk Producers Farmer Producer Organization with members drawn from Kulumai Producers Federation of 3,800 women farmers promoted by MSSRF, have a tie up with a private company (ABT Foods), that has continued procurement even in the difficult times, as milk is listed as one of the essential commodities.

Similarly, in Puducherry, Cuttack and Ganjam districts in Odisha and Golaghat and Shivasagar districts in Assam, dairy farmers are facing difficulty in accessing milk centres due to restriction of movement. Earlier milk vendors used to come to the villages and procure milk directly from individual milk producers. The closure of tea shops and hotels has also added the problems. Farmers in Odisha report daily loss in income of INR 120-150 per household and INR 240-300 in Assam.

VI. Poultry:

Namakkal district is a major hub for chicken and egg production in Tamil Nadu. The price of egg witnessed a steep fall in March with the procurement rate at just Rs 1.95 paise/egg, which is reportedly the lowest in 10 years. The National Egg Coordination Committee (NECC) reported in early April that more than 19 crore eggs are lying at various farms in Namakkal and surrounding areas due to the decrease in demand due to public fear of Avian flu and Covid-19; further supply of eggs to schools also stopped due to their closure following the lockdown. Poultry birds (broilers) are being sold at a price of INR 40 - 50 per kg at the farm gate level, a price much lower than the average



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production cost of INR 75/kg for broilers in the country. Transport of raw material for poultry feed from Karnataka, Maharashtra and Madhya Pradesh is affected with restrictions on inter-state movement; poultry farmers are struggling to even provide feed to chicken. Many small poultry firms may not survive this crisis.

In Cuttack and Ganjam districts of Odisha, stagnation in sale of poultry birds was seen due to lack of demand fearing bird flu and Covid-19; producers ended up disposing the birds which were at harvesting stage. Poorly priced eggs turned the enterprise a loss making one. In Assam also, farmers witnessed a drastic fall in price of chicken over the last month. Due to decrease in demand, farmers are now selling the birds at 50 to 60% lower rate than normal. Non-availability of proper feed is also an issue and many farmers are selling off the chicks at very low cost.

Contract Farming under Poultry: In Villupuram, Pudukottai and Dindigul districts of Tamil Nadu, farmers who have small-scale poultry farms under contract farming with poultry firms have been severely affected in two ways depending on the growth stage of the on-going production batch. First, due to restriction in the movement of vehicles, it has not been possible to take the birds which are in the harvesting stage (layer birds) to markets. Farmers are trying to sell in the local villages at lower prices, but are unable to sell the entire lot. Secondly, in the case of the farms in which chicks are young, the supply of feed and medicines by contract farm representatives has stopped, severely affecting production and growth of the birds (for example if the bird has to reach 1.5 kg under normal condition now due to inadequate feed they are underweight up at around 750grams). Few firms with access to transport are supplying feed but the quantity is not sufficient to feed all birds and the quality of the feed is very much inferior (with only maize as ingredient), hence birds are not gaining proportionate weight; farmers will get affected as the contract firms purchase the birds based on Feed Conversion Rate, and are likely to face 40 to 60 per cent fall in earnings.

Two contract farming firms operating in the area, who were contacted have instructed farmers to sell the birds on their own and have completely stopped procurement. In Tamil Nadu's Villupuram district, Mr. Kannan, a board member of the FPO promoted by MSSRF has a poultry farm; with the company refusing to purchase, he buried 6,000 birds that were in harvesting stage.



SOLUTIONS FROM THE GROUND

In the given context, we have also documented some positive signals from the field during this time of emergency. These are:

- Many youth, in farm households and other family members who generally do not go to the farm, are now working on their farms.
- In the hill regions of Tamil Nadu, four to five vegetable growers are forming groups to harvest their produce and collect the certificate from Village Administrative Officer (VAO) for marketing the vegetables in Dindigul market.
- In Tamil Nadu, FPOs have been requested to supply groceries in and around the villages where they have their members.
- In Odisha, with help from Odisha Rural Development and Marketing Society (ORMAS), Self Help Groups of women in rural and urban areas are connecting to form a producer-seller supply chain and reach vegetables to consumers.
- In Kerala, Kudumbashree is engaged in similar initiative across the state.

MSSRF SUPPORTED INITIATIVES:

Board members of MSSRF-promoted FPOs in Villupuram and Dindigul districts, purchased oil and pulses and are selling these in the villages through the FPO outlets, supporting the local economy.

- Support of FPOs' to coordinate marketing of produce:
 - In Dindigul district, Tamil Nadu for instance, the Reddiyarchathram Sustainable Agriculture Producer Company Limited (RESAPCOL) promoted by MSSRF, organized collective procurement of 15t maize from its shareholders and marketed to the processing firm. The FPO approached a feed company (Shanthi Feeds Pvt Ltd., Palladam); for an agreement to buy, they then approached and received approval from the Deputy Director (Agribusiness and Marketing) and got necessary permission from the police station for harvesting as well as transporting maize; as this process requires mobilization of labourers for packing, weighing and loading. The farmers were able to avoid weight loss and fungal infection of grains during storage and received immediate payment.

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Self Help Groups of women in rural and urban areas are connecting to form a producer-seller supply chain and reach vegetables to consumers.



- In Ganjam district, Odisha, the first phase of green gram seed harvested was held up midway after procurement of 84 quintals by a private seed procurement agency. Given the limited storage available with farmers and danger of the seeds getting spoilt, Bahuda FPO promoted and supported by MSSRF, discussed with the seed agency and it has been arranged for farmers to individually take the remaining produce amounting to 148 quintals to the company and get paid.

- Farmers are being kept in the loop and given advisories through Whatsapp message groups
- Two mobile agriculture marketing initiatives have been rolled out in Pudukottai district as a collaborative effort between the Dept of Agriculture, NABARD, CESTADs and MSSRF, to purchase vegetables from farmer's fields and sell to consumers.
- Using Information Communication Technologies: Interactive phone-in programmes with experts are being organized across different states in partnership with NGOs, research institutions and the government.

An interactive session was organised in Pudukottai to connect the farmers with district level agriculture officials and KVK scientists with farmers through Phone in programme using mobile phones. This helped farmers get first hand information and information on contact points to address hurdles faced by them. MSSRF's Village Resource Centres (VRC) in Tamil Nadu, Assam and Odisha connected farmers with agriculture experts and government department representatives. More such programmes are being organized across the three states. Within a month of lockdown direct interaction with over 600 farmers and fishers across the three states had been recorded.



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MSSRF's Village Resource Centre (VRC) in Pudukottai connected over 120 farmers with Joint Director, Agriculture of Pudukottai and KVK, Vamban and addressed 162 queries on 1 April 2020.

KEY RECOMMENDATIONS:

The guidelines issued by the Ministry of Home Affairs on 15 April 2020, exempting agriculture, horticulture, fishery, poultry, animal husbandry and related activities like processing and marketing, are welcome. MNREGS work has also been permitted. Effective dissemination and implementation of these guidelines has to be ensured.

- The measures taken up by the Departments of Agriculture and Horticulture in different states should reach all farmers across the respective states to market perishable produce like vegetables and fruits. It is reported that the 'Market Intervention Scheme' has been invoked by the government and the Centre and state will equally share the loss caused to farmers producing perishable agricultural and horticulture products.
- Permission and ensuring safe and adequate local transport for farm labourers to go for agricultural work: There is more demand for farm labourers in certain areas where the crops are in the peak harvesting stage; on the other side, agricultural labourers are not getting adequate employment opportunities in the village itself. Necessary transport arrangements have to be made immediately to address the gap accompanied by adequate protective and safety measures for farm labourers.
- Movement of farm machinery like tractors, harvesters, threshers and operators and their access to farmers should be ensured on priority basis
- The Union Government has announced that it is working with states to ensure procurement of the rabi crop harvest of wheat, pulses and other crops. Considering the gaps in the supply chain, government has to ensure that farmers get the MSP announced.
- Credit sector:
 - Fresh credit must be extended to the farmers irrespective of their earlier loan, to commence farm preparatory work for the Kharif /South West monsoon season
 - Protecting farmers who availed private sector credit: Private sector credit sources (e.g. market agents/traders) who have provided credit against the assured supply of farm products should not charge interest until the next crop – appropriate measures are required to ensure this.
 - Interest subvention and revival package for poultry firms



Agricultural labourers are not getting adequate employment opportunities in the village itself.

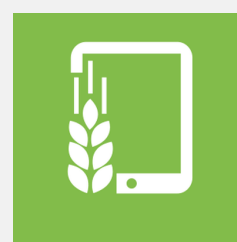


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- Our study shows that the PM KisanSamman Nidhi amount of Rs.6,000/- is inadequate to overcome the current losses and make investment for the next cropping season. The amount should be increased to Rs 15,000/ farmer/year and 50 per cent amount made available immediately.
- Specific to the poultry sector, in line with the recommendation of the NECC, small farmers with less than 20,000 birds should be provided with compensation at INR 100 per bird, based on their chicken purchase bill paid through banking transaction. In the case of small poultry farmers who had not availed bank credit, assessment of loss may be done by veterinary research institutes and the farmers given financial compensation. 'Feed Grade' wheat and rice may be provided by the government from old stock of grains at a subsidized rate of INR 10/kg, as suggested by the NECC.
- Inter-departmental convergence at the district level is needed to translate the guidelines into action: As the guidelines in terms of response to the crisis and ensuring performance of the systems and services are getting revised almost on daily basis, officials at all levels have to be updated and informed officially through proper mechanism at the district level so that farmers get benefitted. The same needs to be disseminated to farmers using media and ICT tools.
- Use of digital technology and tools such as mobile-based voice messaging, use of social media, phone-in programmes are working well in connecting farmers with agriculture experts and officials. The advantage of such tools should be harnessed effectively to update officials and reduce gaps to implement the guidelines in a farmer-friendly manner.
- FPOs, wherever available, should be made harnessed for connecting farmers and the market for both inputs and produce.
- Including harvesting of farm produce for payment under MNREGS.
- Many migrant labourers who have returned will not be able to return immediately. Some may also not wish to head back. They can be engaged in the harvest work in their areas, to accelerate the process.



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Five-pronged strategy for famers

Across India, farmers cultivating perishable commodities like horticulture crops are suffering the most from market availability and variability. It is important therefore that small farmers are enabled to access assured and remunerative markets, be it through ensuring storage, transportation or value addition. Horticulture is essential for nutrition security.

For insulating small farmers from unfavourable market conditions, it is important to have a five-pronged strategy:

First, provide suitable agro-advisories to maintain good field conditions and plant health, including the needed precautions against pest and disease. This is important also for ensuring human health.

Second, cold storage or other storage facilities which can help the farmer to keep the produce until markets are available are important. As in the case of milk by the National Dairy Development Board, this should be priority action to be facilitated by the National Horticulture Development Board.

Third, it is necessary to ensure that the small farmers have access to good quality seeds for the coming kharif season, and to technologies like three-dimensional cropping (air, soil and surface), so that the plant that is below the soil does not have to be dug out immediately.

Fourth, the whole milk revolution has come about through the participation of women. Women farmers are also at the forefront of horticulture. Special attention needs to be given to both their technological (including low horse-power tractors) and economic (such as credit) empowerment during this crisis.

Finally, based on the manner in which the commodity is sold, suitable equipment like oil extraction machinery for jasmine, or conversion of fruits into juice, are important for value addition.

Such a strategy will also help move towards a small farmers' horticulture revolution.

M S Swaminathan

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MSSRF / PB / 2020 / 04 / April 2020

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